

This Opinion is Not a  
Precedent of the TTAB

Mailed: December 16, 2021

UNITED STATES PATENT AND TRADEMARK OFFICE

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Trademark Trial and Appeal Board  
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*Australian Therapeutic Supplies Pty. Ltd.*

*v.*

*Naked TM, LLC*

—  
Cancellation No. 92056381  
—

ON REMAND  
—

Drew Smith and Gabrielle A. Holloway of Holley & Menker, PA,  
for Australian Therapeutic Supplies Pty. Ltd.

Suzanne D. Meehle and Davey T. Jay of Meehle and Jay,  
for Naked TM, LLC.

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Before Kuhlke, Bergsman and Wolfson,  
Administrative Trademark Judges.

Opinion by Bergsman, Administrative Trademark Judge:

Naked TM, LLC (“Respondent”) owns Registration No. 3325577 for the mark  
NAKED (typed drawing) for “condoms,” in Class 10.<sup>1</sup>

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<sup>1</sup> Registered October 30, 2007; renewed. Respondent bases the registration on application Serial No. 78303400 filed September 22, 2003.

Australian Therapeutic Supplies Pty. Ltd. (“Petitioner”), alleging prior use of the mark NAKED and NAKED CONDOMS both for condoms, filed a petition to cancel Respondent’s registration on the grounds of fraud, likelihood of confusion, and false suggestion of a connection.<sup>2</sup> Petitioner filed an Amended Petition for Cancellation adding the ground that Respondent did not possess the requisite bona fide intent to use the mark NAKED when it filed the underlying application for the registration at issue but eliminating the fraud claim.<sup>3</sup>

Respondent, in its Amended Answer, denied the salient allegations in the Amended Petition for Cancellation and asserted several affirmative defenses.<sup>4</sup>

In a decision issued December 21, 2018, the Board denied the petition for cancellation because Petitioner lacked standing (i.e., entitlement to a statutory cause of action) to petition for cancellation of the trademark registration.<sup>5</sup> Specifically, the Board determined that Petitioner could not show an interest in the cancellation proceeding or a reasonable belief of damage because it had contracted away its proprietary rights in its unregistered marks.

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<sup>2</sup> Because Petitioner filed the petition for cancellation on October 29, 2012, within five years of the registration date, likelihood of confusion is not time-barred. Trademark Act § 14(1), 15 U.S.C. § 1064(1).

<sup>3</sup> 24 TTABVUE 8. The Amended Petition is the operative pleading in this case. The bona fide intent to use claim is timely, because the filing of the cancellation tolled the running of the five-year period. TRADEMARK TRIAL AND APPEAL BOARD MANUAL OF PROCEDURE (TBMP) Section 307.02(c)(3) (2021).

<sup>4</sup> 37 TTABVUE.

<sup>5</sup> 137 TTABVUE. We now refer to standing as entitlement to a statutory cause of action.

Petitioner appealed the Board’s December 21, 2018 decision to the U.S. Court of Appeals for the Federal Circuit (Federal Circuit).<sup>6</sup> In a decision dated July 27, 2020, the Federal Circuit reversed the Board’s decision that Petitioner lacks an entitlement to bring a statutory cause of action and remanded the cancellation proceeding for further proceedings.<sup>7</sup> The Federal Circuit held the following:

An absence of proprietary rights does not in itself negate an interest in the proceeding or a reasonable belief of damage. We hold that a petitioner seeking to cancel a trademark registration establishes an entitlement to bring a cancellation proceeding under 15 U.S.C. § 1064 by demonstrating a real interest in the cancellation proceeding and a reasonable belief of damage regardless of whether petitioner lacks a proprietary interest in an asserted unregistered mark. Because [Petitioner] has a real interest in the cancellation proceeding and a reasonable belief of damage, [Petitioner] satisfies the statutory requirements to seek cancellation of a registered trademark pursuant to § 1064. We reverse and remand.<sup>8</sup>

We now consider the case on remand.

## I. Additional Procedural Background

During the prosecution of this proceeding, Respondent filed a motion for summary

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<sup>6</sup> 139 TTABVUE.

<sup>7</sup> 141 TTABVUE. The Federal Circuit’s decision is published as *Australian Therapeutic Supplies Pty. Ltd. v. Naked TM, LLC*, 965 F.3d 1370, 2020 USPQ2d 10837 (Fed. Cir. 2020).

<sup>8</sup> *Australian Therapeutic Supplies*, 2020 USPQ2d 10837, \*1.

While the Court alludes to the Board’s finding that Petitioner and Respondent had entered into an agreement, *id.* at 2020 USPQ2d 10837 at \*2 (noting that the Board “found that, although no formal written agreement existed, the parties entered into an informal agreement through email communications and the parties’ actions.”); and *id.* at 2020 USPQ2d 10837 at \*4 (providing that “[t]he Board determined that Australian had contracted away its right to use and register its unregistered mark.”), the Court does not substantively address this finding of fact in its analysis, *id.* at 2020 USPQ2d 10837 at \*4 (stating that “[w]hile an agreement could ultimately bar Australian from proving *actual* damage, §1064 requires only a *belief* of damage.”).

judgment on its affirmative defenses of estoppel, laches, acquiescence, and unclean hands.<sup>9</sup> In its response, Petitioner cross-moved for summary judgment on its pleaded claim of likelihood of confusion under Trademark Act 2(d), 15 U.S.C. § 1052(d), and further asserted that Respondent's affirmative defenses are not applicable because the use of Respondent's mark would result in inevitable confusion with Petitioner's mark.<sup>10</sup> Respondent, in its reply brief, also opposed Petitioner's motion for summary judgment on the likelihood of confusion claim.<sup>11</sup>

In its March 3, 2016 Order, the Board held:<sup>12</sup>

- There are genuine disputes of material fact with respect to Petitioner's standing (now referred to as entitlement to a statutory cause of action);<sup>13</sup>
- There are genuine disputes of material fact with respect to Respondent's affirmative defense of contractual estoppel;
- If Petitioner is able to establish its standing and priority, then confusion is likely and inevitable; and
- We denied Respondent's motion for summary judgment on its affirmative defenses of laches, acquiescence and equitable estoppel, as well as unclean

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<sup>9</sup> 42 TTABVUE.

<sup>10</sup> 52 TTABVUE.

<sup>11</sup> 54 TTABVUE.

<sup>12</sup> 56 TTABVUE.

<sup>13</sup> Because the Board found that there are genuine disputes of material fact regarding standing, we did not decide the issue of priority. 56 TTABVUE 12.

hands on the ground that they are inapplicable because confusion is inevitable.<sup>14</sup>

The Board expressly set forth the status of the case:

The case will go forward on Petitioner's proof of standing; on its claim of priority as a prerequisite to its claim of likelihood of confusion; and on its claims of false suggestion of a connection under Trademark Act Section 2(a), and lack of bona fide intent under Trademark Act Section 1(b).

Respondent's second affirmative defense (estoppel) remains operative to the extent it is based on the disputed agreement between the parties. Respondent's sixth affirmative defense (failure to state a claim under Section 2(a) upon which relief may [be] granted); seventh affirmative defense (abandonment); and ninth affirmative defense (Petitioner lacks standing), similarly remain operative.<sup>15</sup>

The Board also advised the parties:

In view of our contingent finding of likelihood of confusion and inevitable confusion, trial evidence and briefing on the issue of likelihood of confusion vis-à-vis the *DuPont* factors are not necessary. The parties are advised to focus their

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<sup>14</sup> As the Board explained in a prior order, contractual estoppel is not obviated by inevitable confusion because it is a threshold inquiry as to whether Petitioner lacks a "real interest" in seeking cancellation of Respondent's registration. 56 TTABVUE 17 n. 10.

As noted earlier, Respondent's estoppel defense encompasses both contractual estoppel and equitable estoppel. Only the defense of equitable estoppel is negated by inevitable confusion. As noted in our discussion of Petitioner's standing, the issue of contractual estoppel is effectively a threshold inquiry into whether or not the parties entered into an enforceable agreement such that Petitioner now lacks a "real interest" in seeking cancellation of Respondent's registration or has "contracted away" its right to seek cancellation. Respondent's contract-based challenges to Petitioner's standing and claims survive our decision here.

*Id.*

<sup>15</sup> 56 TTABVUE 21.

efforts at trial on the issues of standing (*i.e.*, whether or not Petitioner is contractually estopped from asserting a “real interest” as a basis for damage or maintaining this cancellation action) and priority.<sup>16</sup>

## II. Evidentiary Issues

Under Trademark Rule 2.121(e), 37 C.F.R. § 2.121(e), and Fed. R. Civ. P. 26(a)(3), the party scheduled to present evidence must disclose the name and, if not previously provided, the telephone number and address of each witness from whom it intends to take testimony, or may take testimony if the need arises. Trademark Rule 2.121(e) further requires the disclosing party to provide general identifying information about the witness, a general summary or list of subjects on which the witness expects to testify, and a general summary or list of the types of documents and things that the witness may introduce as exhibits during the testimony of the witness.

Respondent identified two potential witnesses in its pretrial disclosures and documents regarding its registration and use of the NAKED trademark.

### I. WITNESSES

- a. Witnesses/Affiants Registrant Expects to Present:
  - i. Deposition testimony of Jud Ireland [Respondent’s Managing Member].
  - ii. Deposition testimony of Graham Porter [Petitioner’s Managing Director and co-owner].

### II. EXHIBITS

- a. Exhibits Plaintiffs [sic] Expect to offer:

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<sup>16</sup> 56 TTABVUE 21 n.14.

- i. Evidence of Registrant's Trademark Registration for the "NAKED" trademark.
- ii. Evidence or Registrant's use of its "NAKED" trademark.
- iii. Correspondence between Registrant and Petitioner showing Petitioner's stated non-use of the Mark in the United States.
- iv. Petitioner's Applications for Registration of various "NAKED" formative marks for condoms.
- v. All papers, records, and writings provided by Petitioner to Registrant in this case and/or attached to pleadings, papers, motions or other filings in this case, including confidential filings.<sup>17</sup>

After Respondent introduced its testimony and other evidence, Petitioner filed a motion to strike Respondent's testimony and evidence. Specifically, Petitioner seeks to strike:

(1) The testimony declaration of Michael Glickman, on the ground that he was not disclosed as a witness by Respondent in its pretrial disclosures;

(2) Certain testimony and documentary exhibits from the testimony deposition of Jud Ireland, on the ground that the testimony and documents exceed the scope of Respondent's pretrial disclosures;

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<sup>17</sup> 94 TTABVUE 2. Respondent's amended pretrial disclosures are substantially the same except that it adds an additional witness, Michael Glickman, Respondent's former Senior Vice President of Marketing. 123 TTABVUE.

(3) Certain documents introduced into evidence during Mr. Ireland's testimony deposition, on the ground that Respondent did not produce the documents during discovery; and

(4) Materials submitted by Respondent under Respondent's third and fifth notices of reliance, on the ground that the materials do not comply with the Board's procedural requirements for introducing official records, printed publications, and discovery depositions by means of notice of reliance.<sup>18</sup>

The Board, in its January 29, 2018 order granted in part, denied in part, and deferred in part Petitioner's motion to strike.<sup>19</sup> Specifically, in pertinent part, the Board:

- granted Petitioner's motion to strike Ireland testimony exhibit Nos. 16-19 and 31-34 on the ground that they were not produced during discovery;<sup>20</sup>
- deferred ruling on Petitioner's motion to strike Ireland testimony exhibit Nos. 2 and 4-5, as well as the testimony relating to those exhibits, on the ground that it would require reviewing the testimony prior to final decision;<sup>21</sup>

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<sup>18</sup> 113 TTABVUE. During Jud Ireland's testimony deposition, Petitioner made a continuing objection to Respondent's pretrial disclosures for failure to provide a summary or list of subjects on which Mr. Ireland would testify. Ireland Testimony Dep., pp. 16-17 (112 TTABVUE 17-18).

<sup>19</sup> 118 TTABVUE 19-21.

<sup>20</sup> 118 TTABVUE 2.

<sup>21</sup> 118 TTABVUE 2-3.

- granted Petitioner’s motion to strike Exhibits E and I attached to Respondent’s third notice of reliance (105 TTABVUE) with leave to refile procedurally proper documents;<sup>22</sup> and

- granted Petitioner’s motion to strike Exhibits G and H attached to Respondent’s third notice of reliance.<sup>23</sup>

Petitioner, in its brief, renews its motion to strike portions of Jud Ireland’s testimony on the ground that it exceeds the scope of Respondent’s pre-trial disclosures.<sup>24</sup> Petitioner contends that Respondent’s pretrial disclosures fail to provide a list or summary of topics on which Jud Ireland would testify and do not identify with any reasonable particularity the documents Ireland would introduce.<sup>25</sup>

Petitioner is correct. Respondent merely identified potential witnesses but did not identify any topics on which the witnesses might testify. Respondent did not argue Petitioner’s motion to strike was untimely because it did not allow Respondent time to correct the procedural defects and Respondent substantively opposed Petitioner’s motion to strike.<sup>26</sup> Accordingly, we find that Respondent stipulated that Petitioner

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<sup>22</sup> 118 TTABVUE 3-4.

<sup>23</sup> 118 TTBVUE 5.

<sup>24</sup> Petitioner’s Brief, Appendix A (132 TTABVUE 57). Petitioner did not renew its motion to strike the Glickman deposition so it is in. *See Grote Indus., Inc. v. Truck-Lite Co., LLC*, 126 USPQ2d 1197, 1207 n.28 (TTAB 2018) (testimony objections waived when not asserted in or with opening brief), *complaint filed*, No. 18-CV-599-LJV-MJR (W.D.N.Y. May 4, 2018); *General Mills Inc. v. Fage Dairy Processing Indus. SA*, 100 USPQ2d 1584, 1592 n.7 (TTAB 2011) (objection to testimony deemed waived because it was not maintained in brief) *judgment set aside on other grounds*, 110 USPQ2d 1679 (TTAB 2014) (non-precedential).

<sup>25</sup> *Id.* at 132 TTABVUE 58.

<sup>26</sup> 114 TTABVUE.

timely filed its motion to strike and we will address Petitioner's specific objections renewed in its brief.

Because Respondent did not list any topics about which Jud Ireland would testify and because Respondent did not identify its patent (Ireland Exhibit 2) or Respondent's efforts to obtain FDA 510(k) approval for its condoms (Ireland Exhibits 4 and 5), Ireland's testimony and the exhibits regarding those subjects exceed the scope of the pretrial disclosures and will be given no consideration. Trademark Rule 2.123(e)(3), 37 C.F.R. § 2.123(e)(3)(i) ("A motion to strike the testimony of a witness for lack of proper or adequate pretrial disclosure may seek exclusion of the entire testimony, when there was no pretrial disclosure, or may seek exclusion of that portion of the testimony that was not adequately disclosed in accordance with § 2.121(e)."); *Wonderbread 5 v. Gilles*, 115 USPQ2d 1296, 1298-1300 (TTAB 2015) (granting partial motion to strike forty-six exhibits from party witness testimony deposition, as well as portions of testimony referring to exhibits, for failure to identify documents intended to be introduced in pre-trial disclosures).

Respondent argues that Jud Ireland's testimony did not surprise Petitioner because Petitioner had deposed Jud Ireland during discovery and, therefore, despite the procedural defects in the pretrial disclosures, Petitioner was aware of the potential testimony and documents.<sup>27</sup> However, pretrial disclosure requirements cannot simply be ignored because the adverse party may know some information about a testifying individual. *See Jules Jurgensen/Rhapsody Inc. v. Baumberger*,

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<sup>27</sup> Respondent's Brief, Appendix, p. 46 (134 TTABVUE 47).

91 USPQ2d 1443, 1445 (TTAB 2009) (“[P]retrial disclosure is an independent requirement of the rules and not one that can be ignored simply because some information about a testifying individual may be known by the adverse party or parties.”).

We sustain Petitioner’s objection to the Ireland testimony deposition regarding Respondent’s patent and efforts to obtain FDA 510(k) approval for its condoms.

Finally, Petitioner, in its Reply Brief, raises objections “to evidence not made of record during trial and evidence previously stricken in the Board’s Order on Petitioner’s Motion to Strike. 118 TTABVUE.”<sup>28</sup> We have not considered any improper material or previously stricken evidence.

### **III. The Record**

The record includes the pleadings and, by operation of Trademark Rule 2.122(b), 37 C.F.R. § 2.122(b), Respondent’s registration file.<sup>29</sup> The parties introduced the testimony and evidence listed below:

#### A. Petitioner’s testimony and evidence.

1. Testimony declaration of Graham Porter, Petitioner’s Managing Director and co-owner;<sup>30</sup>

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<sup>28</sup> Petitioner’s Reply Brief, pp. 6-7 (135 TTABVUE 7-8).

<sup>29</sup> Because Respondent’s registration file is of record by operation of the Trademark Rules of Practice, there was no need for Respondent to introduce it through a notice of reliance. 120 TTABVUE.

<sup>30</sup> 79-80 TTABVUE.

2. Testimony declaration of Christopher Butler, Office Manager at the Internet Archive, a website that provides access to a digital library of Internet websites including the Wayback Machine;<sup>31</sup>
3. Testimony declaration of Jill Potter, custodian of records for PayPal, Inc.;<sup>32</sup>
4. Testimony declaration of Natalie Bucsko, nee Varner, a consumer who purportedly purchased three packs of condoms on or about April 17, 2003, through condoms.au.com;<sup>33</sup>
5. Testimony declaration of Sean Hayes, a consumer who purportedly purchased NAKED condoms through condoms.au.com on or about April 7, 2003;<sup>34</sup>
6. Notice of reliance on copies of 27 applications filed by Respondent's predecessor-in-interest and an affiliated company printed from the USPTO electronic database;<sup>35</sup>
7. Notice of reliance on copies of Petitioner's application Serial No. 78758237 for the mark NAKED CONDOMS for condoms, application Serial No. 85772589 for the mark NAKED for condoms, and Registration No. 3282564

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<sup>31</sup> 81 TTABVUE.

<sup>32</sup> 82 TTABVUE.

<sup>33</sup> 83 TTABVUE.

<sup>34</sup> 84 TTABVUE.

<sup>35</sup> 85 TTABVUE.

for the mark NUDE CONDOM for condoms printed from the USPTO electronic database showing their current status;<sup>36</sup>

8. Notice of reliance on the following items:
  - a. Respondent's amended responses to Petitioner's first set of requests for admission;<sup>37</sup>
  - b. Respondent's amended responses to Petitioner's first set of interrogatories;<sup>38</sup>
  - c. Respondent's second amended responses to Petitioner's first set of interrogatories;<sup>39</sup> and
  - d. Respondent's responses to Petitioner's third set of requests for admission;<sup>40</sup>
9. Notice of reliance on the discovery depositions of the following individuals:
  - a. Jud Ireland, Respondent's Managing Member;<sup>41</sup> and

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<sup>36</sup> 86 TTABVUE.

<sup>37</sup> 87 TTABVUE 6.

A party may introduce only an admission to a request for admission through a notice of reliance. Trademark Rule 2.120(k)(3)(i), 37 C.F.R. § 2.120(k)(3)(i). A denial or statement that the responding party cannot respond to the request does not establish the truth or falsity of the assertion, but rather leaves the matter for proof at trial. *Life Zone Inc. v. Middleman Grp. Inc.*, 87 USPQ2d 1953, 1957 n.10 (TTAB 2008) (denials to requests for admission inadmissible because "unlike an admission (or a failure to respond which constitutes an admission), the denial of a request for admission establishes neither the truth nor the falsity of the assertion, but rather leaves the matter for proof at trial."). As such, we have considered only the admissions to the requests for admission.

<sup>38</sup> 87 TTABVUE 11.

<sup>39</sup> 87 TTABVUE 20.

<sup>40</sup> 87 TTABVUE 26.

<sup>41</sup> 89 and 129 TTABVUE. Despite the fact that very little, if any, of the testimony or the exhibits constitute trade secret or commercially sensitive information, the excerpts from the

- b. Cindy Mason, Mr. Ireland's former personal assistant;<sup>42</sup>
10. Notice of reliance on materials printed from the Internet;<sup>43</sup>
11. Rebuttal testimony declaration of Graham Porter;<sup>44</sup> and
12. Notice of reliance on an article posted on ConsumerReports.org dated February 2005.<sup>45</sup>

B. Respondent's testimony and evidence.

1. Notice of reliance on excerpts from the Graham Porter discovery deposition;<sup>46</sup>

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Ireland deposition have been designated confidential in their entirety. Trademark Rule 2.116(g), 37 C.F.R. § 2.116(g), provides, in part, that “[t]he Board may treat as not confidential that material which cannot reasonably be considered confidential, notwithstanding a designation as such by a party.” Accordingly, the parties’ designation does not bind us.

We further note the Board struck Ireland Testimony Exhibits 16-19 and 31-34 by Board order (118 TTABVUE) and as discussed above Ireland Testimony Exhibits 2, 4 and 5 are stricken.

<sup>42</sup> 88 TTABVUE. It was not necessary for Respondent to file its amended notice of reliance on the Mason discovery deposition already made of record by Petitioner. 121 TTABVUE. Trademark Rule 2.120(3)(ii)(7), 37 C.F.R. § 2.120(3)(ii)(7), provides that testimony from a discovery deposition made of record by one party may be referred to by any party for any purpose permitted by the Federal Rules of Evidence.

<sup>43</sup> 90 TTABVUE.

<sup>44</sup> 127 TTABVUE.

<sup>45</sup> 130 TTABVUE.

<sup>46</sup> 104 TTABVUE. Respondent submitted a condensed version of the transcript rather than in full-sized format. *See* Trademark Rule 2.123(g)(1), 37 C.F.R. § 2.123(g)(1) (“The deposition transcript must be submitted in full-sized format (one page per sheet), not condensed (multiple pages per sheet).”).

Although Respondent identified specific passages from the deposition upon which it is relying, Respondent introduced into the record the entire transcript. Accordingly, we consider the entire Graham discovery deposition as being of record.

2. Notice of reliance on “Articles of Incorporation with Statement of Conversion” filed with the Office of the California Secretary of State and the Office of the Delaware Department of State Division of Corporations;<sup>47</sup>
3. Notice of reliance on documents obtained from the websites of the California Secretary of State and Delaware Department of State Division of Corporations;<sup>48</sup>
4. Notice of reliance on records from the USPTO database for applications and registrations for marks consisting of the words NAKED and NUDE filed by Petitioner;<sup>49</sup>
5. Notice of reliance on Petitioner’s amended responses to Respondent’s first set of interrogatories (Nos. 7 and 8)<sup>50</sup> and Petitioner’s amended responses to Respondent’s second set of interrogatories (Nos. 17-19 and 24);<sup>51</sup>
6. Testimony deposition of Jud Ireland, Respondent’s principal;<sup>52</sup> and

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<sup>47</sup> 105 TTABVUE 106. Exhibits E, G, and H filed in this notice of reliance were stricken in the Board’s January 29, 2018 Order. 118 TTABVUE 3-6.

<sup>48</sup> 120 TTABVUE.

<sup>49</sup> 106 TTABVUE.

<sup>50</sup> 108 TTABVUE 5.

<sup>51</sup> 108 TTABVUE 24.

<sup>52</sup> 109 TTABVUE. Respondent unnecessarily filed the Ireland deposition a second time at 112 TTABVUE.

7. Testimony declaration of Michael Glickman, a former Senior Vice President of Naked Int'l, Inc.<sup>53</sup> and Petitioner's cross-examination testimony deposition.<sup>54</sup>

#### **IV. Entitlement to a Statutory Cause of Action**

As noted above, the Federal Circuit determined that because Petitioner has a real interest in this cancellation proceeding and a reasonable belief of damage, Petitioner has satisfied the statutory requirements to seek cancellation of the trademark registration at issue pursuant to Section 1064.

#### **V. Priority**

Section 2(d) of the Trademark Act, 15 U.S.C. § 1052(d), permits cancellation based on ownership of "a mark or trade name previously used in the United States . . . and not abandoned." We first consider whether Petitioner has established its priority of use, a necessary element of any claim under Section 2(d). In a cancellation proceeding, the petitioner must prove priority. *See Brewski Beer Co. v. Brewski Bros., Inc.*, 47 USPQ 1281, 1284 (TTAB 1998) (when both parties in a cancellation proceeding own registrations, the petitioner must prove its priority).

To establish priority, the petitioner must show proprietary rights in the mark that produce a likelihood of confusion. *Herbko Int'l, Inc. v. Kappa Books, Inc.*, 308 F.3d 1156, 1162, 64 USPQ2d 1375, 1378 (Fed. Cir. 2002) (explaining that proprietary rights are necessary to show priority of use when petitioning for cancellation

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<sup>53</sup> 110 and 111 TTABVUE.

<sup>54</sup> 126 TTABVUE.

under section 2(d)); *Otto Roth & Co. v. Universal Foods Corp.*, 640 F.2d 1317, 209 USPQ 40, 43 (CCPA 1981) (“[T]he opposer must prove he has proprietary rights in the term he relies upon to demonstrate likelihood of confusion as to source, whether by ownership of a registration, prior use of a technical ‘trademark,’ prior use in advertising, prior use as a trade name, or whatever other type of use may have developed a trade identity.”).

In Respondent’s second affirmative defense, Respondent challenges the basis for Petitioner’s proprietary rights in its purported common law marks. The gist of Respondent’s Second Affirmative Defense is that by April 2007, the parties reached an agreement that Petitioner would not sell NAKED condoms in the United States and that Petitioner is estopped from seeking to cancel Respondent’s registration.<sup>55</sup>

By April 2007, the parties reached an agreement that: the Petitioner would not sell condoms in the U.S. under a “Naked” mark but could continue to sell condoms under the “Nude” mark, and that Petitioner would not challenge [Respondent’s] use and registration of the mark “Naked.” In other words, the Petitioner consented to the [Respondent’s] use and registration of the naked trademark. ... Consequently, Petitioner is estopped from seeking cancellation of the [Respondent’s] mark, Registration No. 3,325,577 for NAKED and its Amended Petition should be dismissed with prejudice.<sup>56</sup>

Thus, we must analyze whether the parties reached an agreement to determine whether Petitioner has proprietary rights in its purported common law marks.

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<sup>55</sup> 37 TTABVUE 5.

<sup>56</sup> 37 TTABVUE 6.

At the outset, we note the Board may determine whether the parties reached an agreement and the terms of that agreement even though the Board is an administrative tribunal with jurisdiction only over the question of registrability of U.S. trademarks. *See* Section 17 of the Trademark Act, 15 U.S.C. § 1067; *see also, e.g., Conolty v. Conolty O'Connor NYC LLC*, 111 USPQ2d 1302, 1309 (TTAB 2014). However, the Board may consider the terms of a contract if, and to the extent that, construction of the contract is necessary to a decision on matters within the Board's jurisdiction. *See Selva & Sons, Inc. v. Nina Footwear, Inc.*, 705 F.2d 1316, 217 USPQ 641, 647 (Fed. Cir. 1983); *M-5 Steel Mfg. Inc. v. O'Hagin's Inc.*, 61 USPQ2d 1086, 1094-95 (TTAB 2001); *see also Renaissance Rialto Inc. v. Boyd*, 107 USPQ2d 1083, 1086 (TTAB 2013) (interpreting contract to find no transfer of rights such as would allow named opposer to bring opposition). In that context, the Board, in the exercise of its statutory jurisdiction, may consider an agreement, its construction, or its validity, "although other courts would be the proper tribunals in which to litigate a cause of action for enforcement or breach of [that] contract." *Selva & Sons, Inc.*, 217 USPQ at 647.

The Court of Customs and Patent Appeals, the predecessor to the Court of Appeals for the Federal Circuit, rejected an argument that a promise not to register a trademark is unenforceable as contrary to public policy favoring the litigation of challenges to trademark validity. The court held that any such policy is outweighed by the policy favoring settlement of threatened or pending litigation: "If there be a policy favoring challenges to trademark validity, it too has been viewed as outweighed

by the policy favoring settlements.” *Wells Cargo, Inc. v. Wells Cargo, Inc.*, 606 F.2d 961, 203 USPQ 564, 568 (CCPA 1979) (citing *Danskin, Inc. v. Dan River, Inc.*, 498 F.2d 1386, 182 USPQ 370, 372 (CCPA 1974) (affirming grant of summary judgment dismissing opposition based upon a prior written settlement agreement that was signed by both parties)); *see also Ron Cauldwell Jewelry Inc. v. Clothestime Clothes Inc.*, 63 USPQ2d 2009, 2013 (TTAB 2002); *M-5 Steel Mfg. Inc. v. O’Hagin’s Inc.*, 61 USPQ2d at 1088. Under certain circumstances, we may imply there is a consent to register a mark when there is a consent to use the mark. *See, e.g., Richdel, Inc. v. Mathews Co.*, 190 USPQ 37, 41-42 (TTAB 1976); *CBS, Inc. v. Man’s Day Publ’g Co., Inc.*, 205 USPQ2d 470, 476 (TTAB 1980) (dismissing opposition because opposer consented to and encouraged applicant’s use of the mark MAN’S DAY).

In this case, there is no formal written agreement; however, the Board recognizes oral and informal agreements. *See e.g., Nestle Co. Inc. v. Nash-Finch Co.*, 2 USPQ2d 1085 (TTAB 1987) (written license not required); *John Anthony, Inc. v. Fashions by John Anthony, Inc.*, 209 USPQ 517 (TTAB 1980) (oral license between employer and former employee). The elements necessary to determine that a contract exists are: (1) mutuality of intent to contract; (2) consideration; and (3) lack of ambiguity in offer and acceptance. *See D & N Bank v. U.S.*, 331 F.3d 1374, 1378 (Fed. Cir. 2003); *Ace-Fed. Reps., Inc. v. Barram*, 226 F.3d 1329, 1332 (Fed. Cir. 2000) (“to be valid and enforceable, a contract must have both consideration to ensure mutuality of obligation and sufficient definiteness so as to provide a basis for determining the

existence of a breach and for giving an appropriate remedy.”) (internal citations omitted).

We review the relevant actions and communications between the parties to determine whether the parties had reached an agreement regarding their respective use and registration of the NAKED trademark. The communications were by email between the principals of the parties.

- Petitioner advertised the sale of NAKED condoms on its condoms.au.com website as of August 11, 2002;<sup>57</sup>
- Petitioner sold and shipped NAKED condoms to purchasers in the United States as of April 3, 2003;<sup>58</sup>
- Between 2003 and 2015, Petitioner never had more than 48 consumers for NAKED condoms in the United States in any one year via Internet sales;<sup>59</sup>
- On September 22, 2003, Respondent filed its application for the registration at issue;<sup>60</sup>
- On November 21, 2005, Petitioner filed intent-to-use application Serial No. 78758237 for the mark NAKED CONDOMS (condoms disclaimed) for “condoms, including condoms made of latex,” in Class 10;<sup>61</sup>

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<sup>57</sup> Porter Testimony Decl. Exhibit 7 (79 TTABVUE 62-65).

<sup>58</sup> Porter Testimony Decl. Exhibit 9 (79 TTABVUE 70). *See also* Porter Testimony Decl. Exhibits 10 and 11 (79 TTABVUE 182-190).

<sup>59</sup> Petitioner’s amended response to Respondent’s interrogatory No. 17 (108 TTABVUE 29-30).

<sup>60</sup> Respondent filed a statement of use on June 19, 2007, alleging first use as of April 2007.

<sup>61</sup> 86 TTABVUE 7. The application was abandoned on September 28, 2011.

- On November 21, 2005, Petitioner filed application Serial No. 78757257 for the mark NUDE CONDOM (condom disclaimed) for “condoms, including condoms made of latex,” in Class 10, under Section 44(d) of the Trademark Act and intent-to-use;<sup>62</sup>
- Petitioner learned about Respondent and its application for the NAKED trademark in the United States at least as early as November 22, 2005;<sup>63</sup>
- On July 26, 2006, Petitioner emailed Respondent informing Respondent that Petitioner has been marketing NAKED condoms in the United States via the Internet prior to the filing of Respondent’s application, opening negotiations to resolve the NAKED trademark issue, including assigning Petitioner’s application for NUDE CONDOM to Respondent;<sup>64</sup>
- On September 6, 2006, Respondent emailed Petitioner inquiring about the status of Petitioner’s NAKED trademark and expressing concern and doubt about whether both parties can use NAKED for condoms in the United States;<sup>65</sup>
- On September 11, 2006, Petitioner emailed Respondent informing Respondent that the distribution of Petitioner’s FOUR SEASON NAKED condoms “has been going very well” and that because neither party appears

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<sup>62</sup> 86 TTABVUE 38. Registered under Reg. No. 3282564 on August 21, 2007, renewed.

<sup>63</sup> Porter Testimony Decl. Exhibit 22 (79 TTABVUE 345).

<sup>64</sup> Porter Testimony Decl. Exhibit 25 (79 TTABVUE 352).

<sup>65</sup> Porter Testimony Decl. Exhibit 27 (79 TTABVUE 357).

willing to relinquish its right to use the NAKED trademark, Petitioner has authorized its lawyers to draft a coexistence agreement;<sup>66</sup>

- On December 18, 2006, Petitioner emailed Respondent a draft copy of the coexistence agreement.<sup>67</sup> The draft agreement provides, in essence, that
  - Petitioner shall not use NAKED or NUDE in the United States other than as a subbrand for its core FOUR SEASONS mark; and
  - Respondent shall not use or register any marks that are similar to Petitioner's non-NAKED marks;<sup>68</sup>
- On January 3, 2007, Respondent emailed Petitioner a counterproposal that “would be the basic terms of a final written agreement” providing that:
  - (i) Petitioner will not use or register any mark containing the word NAKED in the United States;
  - (ii) Petitioner will consent to Respondent's use and registration of the mark NAKED in the United States;
  - (iii) Petitioner will not take any action at law or otherwise object to Respondent's use or registration of the mark NAKED in the United States;
  - (iv) Respondent will not use or register any mark containing the word NUDE in the United States;

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<sup>66</sup> Porter Testimony Decl. Exhibit 27 (79 TTABVUE 356).

<sup>67</sup> Porter Testimony Decl. Exhibit 28 (79 TTABVUE 361-370).

<sup>68</sup> Porter Testimony Decl. Exhibit 28 (79 TTABVUE 364-365).

- (v) Respondent will consent to Petitioner's use and registration of the mark NUDE in the United States; and
  - (vi) Petitioner will not take any action at law or otherwise object to Respondent's use or registration of the mark NAKED in the United States;<sup>69</sup>
- On April 4, 2007, the parties exchanged emails. Respondent told Petitioner that Respondent was "coming to market" and that they should put their agreement "on paper."<sup>70</sup> Petitioner replied

[N]o need to put anything on paper. Just makes lawyers a lot of money. We no longer have any Naked condoms in the USA, so it should be clear sailing for you. Good luck with the launch.<sup>71</sup>

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<sup>69</sup> Porter Testimony Decl. Exhibit 30 (79 TTABVUE 374).

<sup>70</sup> Porter Testimony Decl. Exhibit 51 (the Porter Discovery Dep., at p. 295) (80 TTABVUE 263). Petitioner did not introduce the emails referred to in the testimony. Porter Testimony Decl. Exhibit 51 is from the Graham Porter discovery deposition. The April 4, 2007 emails were identified as Porter Discovery Exhibit 44. Porter Discovery Exhibit 44 was not made of record.

<sup>71</sup> Porter Testimony Decl. Exhibit 51 (Porter Discovery Dep., p. 295) (80 TTABVUE 264). Mr. Porter testified that when he wrote that email, he did not mean that the parties had an agreement. To the contrary, Mr. Porter testified that "I didn't want an agreement in writing that would give away my rights to that [the NAKED trademark]." 80 TTABVUE 266.

Q. When you said, "We no longer have any Naked condoms in the USA, so it should be clear sailing for you," what did you mean by that?

A. What I meant by that is I have made a decision at this time once we [Petitioner] found a new supplier that we [Petitioner] were going to market Nude from ATS, Inc. and Naked from ATS Australia.

Q. Let's focus on these words "so it should be clear sailing for you." What do these words mean, "so it should be clear sailing for you?" When you wrote that to my client, what were you telling him?

- On August 21, 2007, Petitioner’s application Serial No. 78758257 for the mark NUDE CONDOM registered as Registration No. 3282564;<sup>72</sup>
- On October 30, 2007, Respondent’s application Serial No. 78303400 for the mark NAKED registered as Registration No. 3325577, the registration at issue;<sup>73</sup>
- On March 12, 2011, Respondent emailed Petitioner thanking Petitioner “for discontinuing your sub brand naked” and asking Petitioner to remove NAKED condoms from its TWITTER site because it was causing confusion;<sup>74</sup>
- On March 13, 2011, Petitioner emailed Respondent pointing out that Petitioner has been using the NAKED brand in Australia before Respondent began using the NAKED brand and that since Petitioner “helped out last time it would be great if [Respondent] could take down

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A. That he [Respondent] was going to market with his [Respondent’s] Naked condoms.

Q. ... Wasn’t it your intention in using these words that you were no longer going to interfere with his sale of Naked condoms in the USA?

A. No, I very much wanted to have a coexistence.

Porter Testimony Decl. Exhibit 51 (Porter Discovery Dep., p. 298-99) (80 TTABVUE 266-67).

<sup>72</sup> 86 TTABVUE 38. The application was published for opposition on February 13, 2007. No one filed an opposition to the registration of Petitioner’s mark. 86 TTABVUE 40.

<sup>73</sup> Respondent’s application was published for opposition on June 8, 2004. No one filed an opposition to the registration of Respondent’s mark.

<sup>74</sup> Porter Testimony Decl. Exhibit 35 (79 TTABVUE 389).

[Respondent's] twitter site as a small favor to [Petitioner]." In closing, Petitioner asked, "How are the Naked condoms going?"<sup>75</sup>

- On March 14, 2011, Respondent emailed Petitioner acknowledging Petitioner's rights to the NAKED brand in Australia but pointing out that Petitioner's FOUR SEASONS brand appears to be Petitioner's main focus;<sup>76</sup>
- On August 31, 2011, Respondent emailed Petitioner stating that Respondent's launch of NAKED condoms was going well, that Respondent is selling worldwide except for Australia, and asking Petitioner to transfer its rights to NAKED to Respondent;<sup>77</sup>
- As of September 3, 2011, Petitioner abandoned application Serial No. 78528237 for the mark NAKED CONDOMS;<sup>78</sup>
- On September 4, 2011, Petitioner emailed Respondent stating that Petitioner "still get[s] lots of requests for NAKED in the USA" and that Petitioner will not transfer any rights;<sup>79</sup>

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<sup>75</sup> Porter Testimony Decl. Exhibit 35 (79 TTABVUE 388).

<sup>76</sup> Porter Testimony Decl. Exhibit 35 (79 TTABVUE 387).

<sup>77</sup> Porter Testimony Decl. Exhibit 36 (79 TTABVUE 391).

<sup>78</sup> 86 TTABVUE 7. Despite Petitioner's assertion that it was still selling NAKED condoms in the United States via the Internet and despite Petitioner's prior use of the NAKED mark, Petitioner expressly instructed counsel to abandon the NAKED CONDOMS trademark application because a registration "wasn't required for the product at the time" due to the global financial crisis. Also, it allowed Petitioner "to stall for time." Porter Discovery Dep., pp. 340-41 (104 TTABVUE 90). If, as Petitioner asserts, the parties only had an agreement to coexist and were in negotiations for a more comprehensive agreement, it would seem to undercut Petitioner's position that Petitioner would allow its application for NAKED CONDOMS to go abandoned rather than use it for whatever leverage it may have in those negotiations.

<sup>79</sup> Porter Testimony Decl. Exhibit 36 (79 TTABVUE 391). As noted above, Petitioner never had more than 48 consumers via Internet sales in any year. Petitioner's amended response

- On September 5, 2011, Respondent emailed Petitioner offering to acquire Petitioner's rights to the NAKED mark in Australia;<sup>80</sup>
- On September 20, 2011, Petitioner emailed Respondent stating that Petitioner has been using the NAKED mark for "a lot longer than [Respondent] in the USA via [Petitioner's] direct selling into the USA from years ago.";<sup>81</sup>
- On September 21, 2011, Respondent emailed Petitioner stating that because the parties had agreed that Petitioner would use the NUDE trademark and Respondent would use the NAKED trademark and because Respondent has registered the NAKED mark in approximately 36 countries, Petitioner should stop selling NAKED condoms in the United States via the Internet;<sup>82</sup> and
- On September 21, 2011, Petitioner emailed Respondent stating, "We have no agreement in place other than we agreed to co-exist."<sup>83</sup>

Petitioner's actions and communications led Respondent to believe that the parties agreed that Petitioner would not use or register the mark NAKED in connection with condoms in the United States and that Respondent could use and register the mark NAKED in the United States. Specifically,

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to Respondent's interrogatory No. 17 (108 TTABVUE 29-30). In 2010, Petitioner had "at least 25" customers and in 2011 Petitioner had "at least 48" customers. *Id.*

<sup>80</sup> Porter Testimony Decl. Exhibit 37 (79 TTABVUE 395).

<sup>81</sup> Porter Testimony Decl. Exhibit 38 (79 TTABVUE 399).

<sup>82</sup> Porter Testimony Decl. Exhibit 38 (79 TTABVUE 398).

<sup>83</sup> Porter Testimony Decl. Exhibit 38 (79 TTABVUE 398).

- In the April 4, 2007 email exchange Petitioner wrote

[N]o need to put anything on paper. Just makes lawyers a lot of money. We no longer have any Naked condoms in the USA, so it should be clear sailing for you. Good luck with the launch.<sup>84</sup>

Thus, Petitioner expressly stated that it no longer had any NAKED condoms in the United States. But more telling, Petitioner did not inform Respondent that it had any plans to continue selling NAKED condoms in the United States via the Internet from Australia;

- In the March 2011 email exchange regarding the confusion caused by Petitioner's use of the NAKED trademark on its TWITTER account, when Respondent thanked Petitioner "for discontinuing your sub brand naked," Petitioner did not correct Respondent and explain that Petitioner believed it retained the right to sell NAKED brand condoms in the United States via the Internet. In fact, Petitioner said that because it "helped out the last time" presumably meaning that because Petitioner stopped using NAKED in the United States, Respondent should take down its TWITTER site;
- As of September 3, 2011, Petitioner abandoned application Serial No. 78528237 for the mark NAKED CONDOMS; and
- Throughout all of the communications between Petitioner and Respondent, Petitioner never stated or reminded Respondent that Petitioner was retaining

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<sup>84</sup> Porter Testimony Decl. Exhibit 51 (Porter Discovery Dep., p. 295) (80 TTABVUE 264).

the right to sell NAKED condoms in the United States via Internet sales from Australia.

The evidence shows that the parties reached an agreement. The mutuality of intent to contract is satisfied because the parties recognized their trademark issue and they communicated and exchanged offers to resolve it. The consideration for the contract is Petitioner's agreement not to use or register the NAKED trademark for condoms in the United States and Respondent's agreement not to use or register the NUDE trademark for condoms. Finally, the lack of ambiguity in offer and acceptance is evidenced by the facts that Petitioner stopped using the NAKED mark in the United States, Petitioner did not interfere with Respondent's use and registration of the NAKED mark in the USPTO, Petitioner registered the NUDE trademark in the United States, and Respondent did not interfere with Petitioner's use and registration of the NUDE trademark in the USPTO.

That we are dealing with an informal or oral agreement or contract rather than a written contract does not diminish the effect of the agreement. The parties had reached an agreement as evidenced by the April 4, 2007 email where Respondent told Petitioner that the parties should put their agreement in writing and that Respondent wanted it memorialized.<sup>85</sup> Petitioner did not object and assert that there was no agreement, rather Petitioner advised Respondent not to get the lawyers involved to put the agreement in writing.<sup>86</sup> If there were no agreement, Petitioner

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<sup>85</sup> Porter Testimony Decl. Exhibit 51 (Porter Discovery Dep., p. 295) (80 TTABVUE 263).

<sup>86</sup> Porter Testimony Decl. Exhibit 51 (Porter Discovery Dep., p. 295) (80 TTABVUE 264).

would have advised Respondent that there was no agreement or at least questioned Respondent as to why it wrote that there was an agreement. Moreover, there would be no need for Petitioner to advise Respondent not to get the lawyers involved. Petitioner did not want to have lawyers formalize a written agreement because Petitioner did not want Respondent to find out that Petitioner intended to circumvent their oral agreement and continue selling NAKED condoms in the United States via the Internet. Had lawyers gotten involved to put the agreement “on paper,” Petitioner surely would have been forced to expressly state that it was continuing to sell NAKED condoms in the United States via the Internet. As noted above at footnote 58, Mr. Porter testified that “I didn’t want an agreement in writing that would give away my rights to that [the NAKED trademark].”<sup>87</sup> However, Petitioner never expressed to Respondent that Petitioner had plans to continue selling NAKED condoms in the United States via the Internet from Australia.

Graham Porter, Petitioner’s principal, testified that the parties had an agreement in place for the United States,<sup>88</sup> corroborating our finding that the parties reached an agreement and that Petitioner led Respondent to reasonably believe that Petitioner had abandoned its rights in the United States to the NAKED mark in connection with condoms.

Q. You communicated to [Respondent] didn’t you, that you would agree to adopt Nude and not sell Naked in the United States?

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<sup>87</sup> 80 TTABVUE 266.

<sup>88</sup> Porter Testimony Decl. Exhibit 51 (Porter Discovery Dep., p. 301) (80 TTABVUE 268).

A. It was part of the negotiation that was still taking place. Yes.

Q. And you agreed to it?

A. In essence, I did agree.<sup>89</sup>

\* \* \*

Q. What was the agreement?

A. The important agreement that we wanted to have where we would coexist in the marketplace was [Petitioner] was going to withdraw Naked from being sold from our USA entity, which, as you have seen, that the numbers aren't huge.

Q. And what would [Respondent] do?

A. Nothing. He did nothing.

Q. He let you have Nude; right?

A. Right, and he continued to sell Naked the whole time.

Q. And you ran with Nude; right?

A. We ran with both.

Q. You ran with Nude - -

A. Nude from the USA and then Naked from Australia.

Q. Notwithstanding that you told him that you no longer have any Naked condoms in the USA; right?

A. Which is true. We had them in Australia. We continued selling from Australia.<sup>90</sup>

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<sup>89</sup> Porter Discovery Dep., p. 253 (104 TTABVUE 68).

<sup>90</sup> Porter Testimony Decl. Exhibit 51 (Porter Discovery Dep., p. 300-01) (80 TTABVUE 268-69).

As part of the agreement, Respondent would not oppose Petitioner's pending application for the NUDE mark.<sup>91</sup>

Petitioner characterized the agreement as "a gentleman's agreement."<sup>92</sup>

A. We had a gentleman's agreement that in the USA [Petitioner] would sell Nude and sell Naked from Australia. We still hadn't resolved our agreement.<sup>93</sup>

\* \* \*

Q. Mr. Porter, you gave the man [Ireland/Respondent] your word in April of 2007 that you would take Nude in the U.S., he would take Naked in the U.S., right, recognizing your caveat that you believe you retained the right to do Internet sales. But you don't dispute that you said, Jud [Respondent], go ahead and use Naked?

A. I don't dispute that at all. I don't think it's the same question.

Q. So just explain it. Since we are all in agreement that you said that to him, I will take Nude, you take Naked - -

A. And I will sell Naked in the U.S. from Australia.

Q. Tell me why you believe five years after you reached that agreement with him, five years after he began investing and spending money and developing the mark that you had the right to come in and file a cancellation proceeding to take away that which you agreed that he could do and which he relied on for

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<sup>91</sup> Porter Testimony Decl. Exhibit 51 (Porter Discovery Dep., p. 302) (80 TTABVUE 270) (ATS, Inc. would not sell any FOUR SEASONS NAKED condoms in the United States and in exchange, Respondent would not oppose Petitioner's NUDE application). *See also* Porter Discovery Dep., p. 259 (104 TTABVUE 70) (Respondent's agreement not to object to Petitioner's NUDE application was of material consideration to Petitioner).

<sup>92</sup> Porter Testimony Decl. Exhibit 51 (Porter Discovery Dep., p. 353) (80 TTABVUE 275). *See also* Porter Testimony Decl. Exhibit 51 (Porter Discovery Dep., p. 301-02) (80 TTABVUE 269-70).

<sup>93</sup> Porter Testimony Decl. Exhibit 51 (Porter Discovery Dep., p. 392) (80 TTABVUE 291).

years before you did this. Tell me why you believe you believe [sic] you had the right to do that.

- A. When he sent this letter, it was basically destroying any agreement that we had in place as far as I'm concerned.<sup>94</sup>

We find the only reasonable interpretation of the entirety of the communications is that Petitioner agreed not to use the NAKED trademark in connection with condoms in the United States, including via Internet sales. Because Petitioner's Internet sales in the United States were de minimis, if Respondent even were aware of them, such sales did not require any action until Petitioner's TWITTER activities purportedly caused some instances of confusion.

Petitioner's proprietary interest in its purported common law NAKED trademarks is intrinsically connected with the question of whether the parties have an enforceable agreement that precludes Petitioner from using or registering the mark NAKED or NAKED CONDOMS and from challenging Respondent's use and registration of the NAKED mark for condoms. Petitioner's actions and communications stating that it no longer had any NAKED brand condoms in the United States so that it should be "clear sailing" for Respondent to launch its NAKED brand condoms caused Respondent to reasonably believe that any rights Petitioner had in the NAKED trademark for condoms had been abandoned. Therefore, we find that Petitioner agreed that it would not use or register the mark NAKED for condoms

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<sup>94</sup> Porter Testimony Decl. Exhibit 51 (Porter Discovery Dep., p. 432-33) (80 TTABVUE 297-98). Respondent had its trademark counsel send Petitioner a letter demanding that Petitioner stop selling NAKED condoms in the United States via the Internet. Porter Decl. Exhibit 66 (80 TTABVUE 358).

in the United States and that Respondent could use and register the mark NAKED for condoms in the United States. In view thereof, Petitioner failed to prove that it has a proprietary interest in its purported common law NAKED trademark and failed to prove priority having contracted away its right to use and register NAKED and by extension NAKED CONDOMS.

We deny the Petition for Cancellation under Section 2(d) of the Trademark Act.

**VI. Whether Respondent had a bona fide intent to use the NAKED mark when it filed its application for registration.**

Petitioner, in its Amended Petition for Cancellation, alleged that Respondent did not have a bona fide intent to use the mark NAKED in connection with condoms when it filed its application.

12. On information and belief, Registrant's predecessor-in-interest did not have a bona fide intent to use the mark NAKED in conjunction with condoms and/or prophylactic devices when it filed Application Ser. No. 78303400 on September 22, 2003.

13. On information and belief, Registrant's predecessor-in-interest did not market, plan to use or otherwise take concrete steps toward using the mark NAKED in conjunction with condoms and/or prophylactic devices before filing Application Ser. No. 78303400 on September 22, 2003.

14. The lack of action or meaningful investment in the mark NAKED prior to September 22, 2003 suggests that Registrant's predecessor-in-interest only intended to reserve the mark and therefore lacked the requisite bona fide intent to use at the time Application Ser. No. 78303400 was filed.<sup>95</sup>

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<sup>95</sup> 24 TTABVUE 8.

Section 1(b) of the Trademark Act, 15 U.S.C. § 1051(b), states that “[A] person who has a bona fide intention, under circumstances showing the good faith of such person, to use a trademark in commerce may request registration of its trademark...” Whether an applicant has a bona fide intention to use the mark in commerce is an objective determination based on the totality of the circumstances. *See M.Z. Berger & Co. v. Swatch AG*, 787 F.3d 1368, 114 USPQ2d 1892, 1898 (Fed. Cir. 2015); *A&H Sportswear Co., Inc. v. Yedor*, 2019 USPQ2d 111513 at \*3 (TTAB 2019); *Swiss Grill Ltd. v. Wolf Steel Ltd.*, 115 USPQ2d 2001, 2008 (TTAB 2015). The evidentiary bar for showing bona fide intent to use is not high, but more is required than “a mere subjective belief.” The objective evidence must indicate an intention to use the mark that is “firm” and “demonstrable.” *M.Z. Berger*, 114 USPQ2d at 1897-98, *A&H Sportswear*, 2019 USPQ2d 111513 at \*3; *Swiss Grill*, 115 USPQ2d at 2008; *see also Bos. Red Sox Baseball Club LP v. Sherman*, 88 USPQ2d 1581, 1587 (TTAB 2008); *Lane Ltd. v. Jackson Int’l Trading Co.*, 33 USPQ2d 1351, 1355 (TTAB 1994).

The absence of any documentary evidence regarding an applicant’s bona fide intention to use a mark in commerce establishes a prima facie case that an applicant lacks such intention as required by Section 1(b), a case that an applicant may counter with facts that adequately explain or outweigh its failure to provide documentary evidence. *See A&H Sportswear*, 2019 USPQ2d 111513 at \*3; *Spirits Int’l, B.V. v. S.S. Taris Zeytin Ve Zeytinyagi Tarim Satis Kooperatifleri Birliigi*, 99 USPQ2d 1545, 1549 (TTAB 2011); *Honda Motor Co. v. Winkelmann*, 90 USPQ2d 1660, 1662-64 (TTAB 2009); *L.C. Licensing Inc. v. Berman*, 86 USPQ2d 1883, 1891 (TTAB

2008); *Commodore Elecs. Ltd. v. CBM Kabushiki Kaisha*, 26 USPQ2d 1503, 1507 (TTAB 1993).

Petitioner argues that Respondent did not have a bona fide intent to use the NAKED mark in commerce at the time it filed its application for the following reasons:

- Jud Ireland, Respondent's Managing Member, did not personally insert his electronic signature into the verified statement supporting the application and that the purported lack of an appropriate signature proves that Respondent did not have a bona fide intent to use the NAKED mark when it filed the application;<sup>96</sup>
- Respondent failed to introduce any evidence substantiating its bona fide intent to use the mark in commerce at the time it filed the application;<sup>97</sup> and
- Respondent filed an excessive number of applications demonstrating Respondent's lack of a bona fide intent to use the NAKED mark.<sup>98</sup>

We turn first to Petitioner's contention that because Jud Ireland did not personally insert his electronic signature into the verified statement supporting Respondent's underlying application for the registration at issue, the application is not evidence of Respondent's bona fide intention to use the NAKED mark as of the filing date of the application. To the extent Petitioner is arguing that Respondent cannot rely on the application itself as evidence of intent, Petitioner is correct.

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<sup>96</sup> Petitioner's Brief, pp. 44-47 (132 TTABVUE 45-48).

<sup>97</sup> *Id.*, pp. 44 and 48-49 (132 TTABVUE 45 and 49-50).

<sup>98</sup> *Id.*, pp. 44 and 50-51 (132 TTABVUE 45 and 51-52).

Respondent's filing of the underlying application of the registration at issue is not probative of Respondent's bona fide intent to use the mark in commerce. *M.Z. Berger*, 114 USPQ2d at 1898; *A&H Sportswear*, 2019 USPQ2d 111513 at \*5 ("Neither the filing of the involved application itself, nor Applicant[']s ownership of the domain name whitesoxshirts.com constitute evidence that Applicant had a bona fide intent to use the mark when he filed the involved application."); *Research in Motion Ltd. v. NBOR Corp.*, 92 USPQ2d 1926, 1931 (TTAB 2009) ("If the filing and prosecution of a trademark application constituted a bona fide intent to use a mark, then in effect, lack of a bona fide intent to use would never be a ground for opposition or cancellation....").

Petitioner further contends that because Jud Ireland did not personally insert his electronic signature into the verified statement supporting the underlying application for the registration at issue, the underlying application is not a valid application and it is void ab initio.<sup>99</sup> To the extent Petitioner seeks to assert that the underlying intent-to-use application was incomplete and void ab initio as a separate purported claim, Petitioner did not plead it and the Board gives it no consideration.

We now turn to the other testimony Petitioner relies on to prove Respondent did not have a bona fide intent to use the NAKED trademark when it filed the underlying application. Petitioner introduced the evidence listed below:

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<sup>99</sup> Petitioner's Brief, p. 47 (132 TTABVUE 48).

- Mr. Ireland organized Creative Resources LLC, the original applicant for Respondent's registration, for whenever he needed an LLC (.e.g., for his real estate business);<sup>100</sup>
- Respondent did not sell, offer to sell, or market NAKED branded condoms in the United States prior to September 22, 2003, the filing date of the underlying application of the registration at issue;<sup>101</sup>
- Neither Jud Ireland, nor Respondent, have a written business plan prior to September 22, 2003, regarding how they intended to use the NAKED trademark;<sup>102</sup>
- Jud Ireland has never completed a business plan;<sup>103</sup>
- Respondent's accounting records are sparse and do not show any meaningful financial investment to develop NAKED condoms before December 31, 2003;<sup>104</sup>
- Respondent did not have a written agreement with any third party to design or manufacture condom foil wrappers featuring the NAKED mark prior to September 22, 2003;<sup>105</sup>

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<sup>100</sup> Ireland Discovery Dep., pp. 43-44 (89 TTABVUE 10-11).

<sup>101</sup> Respondent's Response to Petitioner's Request for Admission No. 9 (87 TTABVUE 7).

<sup>102</sup> Ireland Discovery Dep., pp. 62 (89 TTABVUE 18).

<sup>103</sup> Ireland Discovery Dep., pp. 153-154 (89 TTABVUE 63-64). Ireland testified that a business plan has two purposes: a blueprint for how you grow the company; and to attract investors. Since he was going to fund the company himself, he did not need a business plan. *Id.* at pp. 154-155 (89 TTABVUE 64-65). Jud Ireland is "a fairly wealthy guy." Ireland Testimony Dep., p. 32 (109 TTABVUE 33).

<sup>104</sup> Ireland Discovery Dep., pp. 100-103, 144-151 and 162-163 and Exhibit 17 (89 TTABVUE 48-51, 54-61, 66-67, and 94-95).

<sup>105</sup> Ireland Discovery Dep., p. 62 (89 TTABVUE 18); Respondent's response to Petitioner's request for admission No. 131 (87 TTABVUE 30).

- Respondent did not have a written agreement with any distributors, wholesalers, or retailers to offer to sell or sell condoms in the United States prior to September 22, 2003;<sup>106</sup>
- Respondent did not own or operate a retail store or Internet website that sold condoms prior to September 22, 2003;<sup>107</sup>
- Respondent did not use NAKED in any advertisements, brochures or marketing materials featuring condoms prior to September 22, 2003;<sup>108</sup>
- Respondent did not have any written agreement with an advertising agency relating to advertising, promoting, or marketing condoms featuring the NAKED trademark prior to September 22, 2003;<sup>109</sup>
- Respondent had not sought regulatory approval from the FDA as of September 22, 2003;<sup>110</sup>
- Creative Resources, Respondent's predecessor-in-interest, and Veraxis Int'l, Inc., another affiliated company owned by Mr. Ireland,<sup>111</sup> filed a total of twenty-seven

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<sup>106</sup> Respondent's response to Petitioner's requests for admission Nos. 113-115 (87 TTABVUE 27-28).

<sup>107</sup> Respondent's response to Petitioner's requests for admission Nos. 116-117 (87 TTABVUE 28). Jud Ireland did not recall whether he owned a domain name incorporating the word "Naked" prior to the filing date of the underlying application for the registration at issue. Ireland Discovery Dep., p. 63 (89 TTABVUE 19).

<sup>108</sup> Respondent's response to Petitioner's requests for admission Nos. 124-1126 (87 TTABVUE 29).

<sup>109</sup> Respondent's response to Petitioner's request for admission Nos. 123 (87 TTABVUE 29).

<sup>110</sup> Ireland Discovery Dep., p. 37 (89 TTABVUE 7); Respondent's responses to Petitioner's requests for admission Nos. 133 and 135 (87 TTABVUE 31-33 and 36-39).

<sup>111</sup> Ireland Testimony Dep., p. 9 (109 TTABVUE 10) ("Veraxis was a limited liability company that I formed many, many years ago.").

(27) intent-to-use trademark applications in the USPTO for condoms from May 2003 until January 2005;<sup>112</sup> and

- Despite filing multiple intent-to-use applications, Mr. Ireland does not know the legal meaning of intent-to-use.<sup>113</sup>

To prove its bona fide intent to use the NAKED trademark at the time Respondent filed the underlying application for the registration of the mark at issue, Respondent introduced the testimony and evidence listed below:

- Jud Ireland had been working in the birth control industry since the end of 1989 designing a relaxed-fit condom.<sup>114</sup>

When this product was invented, I made tens of thousands of samples trying to figure out how loose to make it. ... So it took tens of thousands of samples to try and figure out what the ideal measurements were. ... And what we did was, we then had to run clinical trials to find out what other people thought. So we ran clinical trials in Germany, and we received a result where 85 percent of the men preferred the relaxed-fit over a standard condom.<sup>115</sup>

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So we tested again in Canada with a very conservative laboratory called Tech Control Eco (phonetic). And I paid - - meanwhile, I'm paying people to have sex around the world, okay? And we tested in Canada, and the results

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<sup>112</sup> 85 TTABVUE.

<sup>113</sup> Ireland Discovery Dep., p. 84 (89 TTABVUE 40). However, when asked why he filed the NAKED trademark application based on intent to use, Mr. Ireland testified, "I hadn't manufactured on a commercial basis yet." Ireland Testimony Dep., p. 77 (109 TTABVUE 78).

<sup>114</sup> Ireland Testimony Dep., pp. 11-13 (109 TTABVUE 12-14).

<sup>115</sup> Ireland Testimony Dep., pp. 13-14 (109 TTABVUE 14-15).

were, 75 percent of the men preferred it and 65 percent of the women.<sup>116</sup>

- In the 1990-1992 period, Ireland had his contacts at Disney Imagineering make prototypes of his condom design;<sup>117</sup>
- In 1993-1994, CPR Produktions - und Vertiebs – GmbH made the condoms for Ireland. First by hand and then by machine;<sup>118</sup>
- Jud Ireland testified that he first starting using NAKED for condoms in 1997 and that he marketed the first NAKED condoms in the United States in 2003;<sup>119</sup>

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<sup>116</sup> Ireland Testimony Dep., p. 14 (109 TTABVUE 15).

<sup>117</sup> Ireland Testimony Dep., p. 39-40 (109 TTABVUE 40-41).

<sup>118</sup> Ireland Testimony Dep., p. 40 (109 TTABVUE 41).

<sup>119</sup> Ireland Testimony Dep., p. 71 (109 TTABVUE 72).

We find that Ireland first marketed NAKED condoms in the United States on December 31, 2003, the last day of the specified period Ireland identified. *Bass Pro Trademarks, LLC v. Sportsman's Warehouse, Inc.*, 89 USPQ2d 1844, 1856 (TTAB 2008); *Osage Oil & Transp., Inc. v. Standard Oil Co.*, 226 USPQ 905, 911 n.22 (TTAB 1985) (evidence established first use in 1968-1969, therefore December 31, 1969 is date of first use); *EZ Loader Boat Trailers, Inc. v. Cox Trailers, Inc.*, 213 USPQ 597, 598 n.5 (TTAB 1982) (documentary evidence showed first use in 1977, the month and day were unknown, therefore, the Board could not presume any date earlier than the last day of the proved period).

Respondent's use of the NAKED trademark shortly after the filing date of the application bolsters its assertion of a bona fide intent to use the mark. While this use occurred after the filing of the application, it corroborates the other evidence showing that Respondent otherwise had the capacity and intent to use the mark NAKED in connection with condoms. See *A&H Sportswear*, 2019 USPQ2d 111513 at \*4 (the Board may consider evidence that postdates the filing of the application); *Swatch AG v. M.Z. Berger & Co.*, 108 USPQ2d 1463, 1474 (TTAB 2013), *aff'd*, 114 USPQ2d 1892 (Fed. Cir. 2015) (documents created seven months after application date were relevant to intent at time of filing); *Rolex Watch U.S.A. Inc. v. AFP Imaging Corp.*, 101 USPQ2d 1188, 1197-98 (TTAB 2011), *vacated on other grounds, Rolex Watch U.S.A. Inc. v. AFP Imaging Corp.*, 107 USPQ2d 1626 (TTAB 2013); *Lane Ltd. v. Jackson Int'l Trading Co.*, 33 USPQ2d at 1355 (correspondence that occurred nine to eleven months after filing date was sufficiently contemporaneous).

- Having achieved the proper condom design, conducted clinical trials, Ireland approached the company that makes TROJAN condoms in 2000.<sup>120</sup>

So in 2000, I went to [Trojan]. And went to [Trojan] with my condom samples. I went to them with the right sizes that I knew from making tens of thousands of condoms. And I had clinical trials that I had done in Germany and Canada, with the result that 85 percent of the men preferred this over the standard Trojan condom, 85 percent.<sup>121</sup>

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And we went to Trojan. And it turned out Trojan was trying to sell themselves to eventually Carter -- Church & Dwight who bought the company.

And so at first, they didn't want to do it, and we -- for years, we talked.<sup>122</sup>

In 2009, Trojan allegedly uses Ireland's ideas to manufacture its own relaxed-fit condom.<sup>123</sup>

- In 2002-2003, Richter Rubber began manufacturing condoms for Ireland;<sup>124</sup>
- Sometime prior to the filing date of the underlying application for the registration at issue, Respondent contracted with CPR Produktions - und Vertiebs – GmbH to manufacture condoms;<sup>125</sup>

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<sup>120</sup> Ireland Testimony Dep., p. 46 (109 TTABVUE 47).

<sup>121</sup> *Id.*

<sup>122</sup> *Id.* at p. 47 (109 TTABVUE 48).

<sup>123</sup> *Id.* at p. 48 (109 TTABVUE 49).

<sup>124</sup> Ireland Testimony Dep., p. 40 (109 TTABVUE 41).

<sup>125</sup> Ireland Discovery Dep., p. 48 (129 TTABVUE 12). Although CPR manufactured “tens of thousands” of condoms for Ireland, they were not NAKED brand, nor were they FDA approved. *Id.* at pp. 49-50 (129 TTABVUE 13-14).

- Ireland developed his own formula to lubricate the condoms;<sup>126</sup> and
- Ireland had to develop foil with rounded edges to package his condoms.<sup>127</sup>

“[L]ook[ing] at the evidence as a whole, as if each piece of evidence were part of a puzzle [to be] fitted together,” *W. Fla. Seafood, Inc. v. Jet Rests. Inc.*, 31 F.3d 1122, 31 USPQ2d 1660, 1663 (Fed. Cir. 1994), we find that Jud Ireland perceived there was a need for a better, more comfortable condom. To this end, he conducted research and experiments to create a more relaxed-fit condom and started marketing NAKED condoms shortly after filing the application.

Respondent’s filing and subsequent abandonment of prior, contemporaneous and subsequent applications is not persuasive of a different result. *Cf. L’Oreal S.A. v. Marcon*, 102 USPQ2d 1434, 1443-44 (TTAB 2012). Respondent filed the underlying application for the registration at issue on September 22, 2003 and the NAKED mark registered on October 30, 2007. Jud Ireland testified Respondent first used the NAKED trademark for condoms on a commercial basis in 2007.<sup>128</sup> That Respondent filed other applications while waiting for USPTO approval does not conclusively prove Respondent did not have a bona fide intent to use the NAKED trademark. Under the circumstances discussed above, the evidence of Respondent’s other applications has minimal probative value on Respondent’s bona fide intent at the time of filing in 2003

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<sup>126</sup> Ireland Testimony Dep., p. 41 (109 TTABVUE 42).

<sup>127</sup> Ireland Testimony Dep., p. 41-42 (109 TTABVUE 42-43).

<sup>128</sup> Ireland Testimony Dep., p. 77 (109 TTABVUE 78). When Respondent filed its Statement of Use, Respondent claimed April 2007 as the date it first used the NAKED mark anywhere and May 2007 as the date it first used the NAKED mark in commerce.

to use NAKED for condoms. Indeed, an applicant can file more than one intent-to-use application covering the same goods and still have the requisite bona fide intention to use each mark. *Commodore Elecs. Ltd. v. CBM Kabushiki Kaisha*, 26 USPQ2d at 1506 n.7 (quoting S. Rep. No. 100-515, 100<sup>th</sup> Cong. 2d Sess. at 24-25 (1988)).

An applicant's bona fide intention to use a mark must reflect an intention that is firm, though it may be contingent on the outcome of an event (that is, market research or product testing). Thus, an applicant could, under certain circumstances, file more than one intent-to-use application covering the same goods and still have the requisite bona fide intention to use each mark. However, if a product has already been marketed under one mark and an applicant continues to maintain additional applications for marks intended for use on or in connection with the same product, this may call into question the bona fide nature of the intent. In addition, an applicant's bona fide intent must reflect an intention to use the mark in the context of the legislation's revised definition of "use in commerce," that is, use "in the ordinary course of trade, ... and not [made] merely to reserve a right in a mark". This bona fide intention must be present for all the goods or services recited in the application.

Senate Judiciary Comm. Rep. on S. 1883, S. Rep. No. 515, 100th Cong., 2d Sess. 24-25 (1988), *reprinted in* United States Trademark Association, *The Trademark Law Revision Act of 1988*, 176-77 (1989).

In sum, consideration of the evidence as a whole supports finding that Respondent had a bona fide intent to use the mark NAKED for condoms at the time it filed the application. Ireland's testimony is credible, clear, uncontradicted and supported by enough documents to comprise objective facts that establish Respondent's bona fide intent to use the mark. *Lane Ltd. v. Jackson Int'l Trading Co.*, 33 USPQ2d 1351, 1355 (TTAB 1994).

We deny the petition for cancellation on the ground Respondent did not have a bona fide intent to use the NAKED trademark when it filed the underlying application for the registration at issue.

**VII. Whether Respondent's mark creates a false suggestion of a connection with Petitioner.**

Section 2(a) of the Trademark Act prohibits the registration on either the Principal or the Supplemental Register of a designation that consists of or comprises matter that may falsely suggest a connection with "persons, living or dead, institutions, beliefs, or national symbols ..." 15 U.S.C. § 1052(a). "The rights protected under the § 2(a) false suggestion provision are not designed primarily to protect the public, but to protect persons and institutions from exploitation of their persona." *Bridgestone/Firestone Research Inc. v. Auto. Club de l'Ouest de la France*, 245 F.3d 1359, 58 USPQ2d 1460, 1463-64 (Fed. Cir. 2001) (citing to *Univ. of Notre Dame du Lac v. J.C. Gourmet Food Imps. Co.*, 703 F.2d 1372, 217 USPQ 505, 508-09 (Fed. Cir. 1983).

We apply the four-part test set forth below to analyze whether a proposed mark falsely suggests a connection with a person or an institution:

1. The mark is the same as, or a close approximation of, the name or identity previously used by another person or institution;
2. The mark would be recognized as such, in that it points uniquely and unmistakably to that person or institution;
3. The person or institution named by the mark is not connected with the activities performed by the defendant under the mark; and

4. The fame or reputation of the person or institution is such that, when the mark is used with the defendant's goods, a connection with the person or institution would be presumed.

*Univ. of Notre Dame du Lac*, 217 USPQ 508-10 (providing foundational principles for the current four-part test used by the Board to determine the existence of a false connection); *Pierce-Arrow Society v. Spintek Filtration, Inc.*, 2019 USPQ2d 471774 at \*14 (TTAB 2019); *Buffett v. Chi-Chi's, Inc.*, 226 USPQ 428, 429 (TTAB 1985).

A. Whether NAKED is the same as, or a close approximation of, Petitioner's name or identity.

"[Petitioner's] Section 2(a) claim requires proof ... that consumers view [NAKED] so closely with [Petitioner] that they recognize it as [Petitioner's] name (or nickname), identity or persona." *Bos. Athletic Ass'n v. Velocity, LLC*, 117 USPQ2d 1492, 1497 (TTAB 2015). "[A] [plaintiff] in a proceeding of this character may prevail even if the name claimed to be appropriated has never been commercially exploited by the [plaintiff] in a trademark or trademark analogous manner." *Buffett*, 226 USPQ at 429. However, the plaintiff must have publicly used or promoted the name as a means of identifying the plaintiff. *See Bd. of Trs. of Univ. of Ala. v. Pitts*, 107 USPQ2d 2001, 2026 (TTAB 2013) (vacated pursuant to settlement on appeal); *Bos. Athletic Ass'n*, 117 USPQ2d at 1497 (must be the "recognized name or identity" of the opposer). "Applicant's mark must do more than simply bring [Petitioner's] name to mind." *Pierce-Arrow Society*, 2019 USPQ2d 471774 at \*15 (citations omitted). "[T]he similarity required for a 'close approximation' ... is more than merely 'intended to

refer' or 'intended to evoke.'" *Bos. Athletic Ass'n*, 117 USPQ2d at 1497 (citation omitted).

NAKED is not Petitioner's name. In addition, Petitioner does not argue, nor does it offer any evidence, that consumers view NAKED as Petitioner's identity or persona. Rather, Petitioner contends that based on its use and marketing of NAKED condoms, Petitioner has a widespread following, thus, satisfying the first element of a Section 2(a) claim.

Since at least August 23, 2002, Petitioner has continuously used its NAKED Marks on its condoms.au.com website, as well as other websites owned by Petitioner, in conjunction with marketing campaigns targeting consumers of the condom industry. Petitioner's NAKED Marks have garnered a widespread following amongst online consumers and have identified Petitioner to consumers residing in the United States.

As a result of the above, Petitioner's NAKED Marks have been publicly used and promoted under the first factor of the Board's § 2(a) test.<sup>129</sup>

Petitioner has conflated the elements of a Section 2(d) likelihood of confusion claim with the elements of a Section 2(a) false suggestion of a connection claim. It is not enough to show that Applicant's mark is similar to or a close approximation of Petitioner's mark. Petitioner must show that Applicant's mark is a close approximation of Petitioner's identity. Mere use of a term does not equate to establishing the term as Petitioner's name or identity. *See U.S. Olympic Comm. v. Tempting Brands Netherlands B.V.*, 291 USPQ2d 164, at \*22 (TTAB 2021). There is

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<sup>129</sup> Petitioner's Brief, p. 52 (132 TTABVUE 53) (internal citations omitted).

no evidence that consumers refer to Petitioner as the “Naked Company.” Based on this record, we find that NAKED is not Petitioner’s name or identity. Therefore, Petitioner has no Section 2(a) false suggestion claim.

B. Whether NAKED points uniquely and unmistakably to Petitioner.

Next, we find that even assuming, *arguendo*, that NAKED were Petitioner’s name or identity, the mark does not point uniquely and unmistakably to Petitioner. Thus, Petitioner also fails to satisfy the second prong of the § 2(a) false suggestion test. “[U]nder concepts of the protection of one’s ‘identity,’ ... [a] critical requirement is that the name (or an equivalent thereof) claimed to be appropriated by another must be unmistakably associated with” the institution in question. *Univ. of Notre Dame*, 217 USPQ at 509. Moreover, this association must be unique. “The protection afforded a name or its equivalent under Section 2(a) is acquired only when the name claimed to be appropriated points ‘uniquely and unmistakably’ to the plaintiff’s ‘persona,’ that is the personal or trade identity of the claimant.” *Bos. Athletic Ass’n*, 117 USPQ2d at 1497 (citing *Buffett*, 226 USPQ at 429); *see also Hornby*, 87 USPQ2d at 1424 (“[T]he name claimed to be appropriated by the defendant must point uniquely to the plaintiff.”).

Petitioner proffers no evidence that supports its contention that NAKED points uniquely and unmistakably to Petitioner. Rather, Petitioner asserts that a significant percentage of the visitors to its website <condums.au.com> are U.S. college students or university students who pay to view animations of people having sex using Petitioner’s condoms. “Petitioner became popularized in the mind of the public with

its goods and services leaving lasting impressions upon actual consumers, which noted that Petitioner was ‘comical’ and ‘funny and memorable.’”<sup>130</sup> However, that evidence does not point uniquely and unmistakably to Petitioner as the one and only “Naked Company.”

As noted above, NAKED refers to Petitioner’s condoms, not Petitioner itself. Thus, consumers do not unmistakably associate NAKED with Petitioner, nor do consumers perceive NAKED as pointing uniquely to Petitioner. *Bd. of Trs. of Univ. of Ala.*, 107 USPQ2d at 2027-28 (despite an admission by the applicants that their mark was adopted as an affectionate reference to the houndstooth fedora worn by University of Alabama football coach Bear Bryant, the Board held that the mark as a whole did not closely approximate the identity or persona of Coach Bryant and, thus was not unmistakably associated with him and did not point uniquely to him).

C. Whether Petitioner is connected with Respondent’s condoms.

Petitioner is not connected with Respondent’s condoms.

D. Whether Petitioner’s fame or reputation is such that when Respondent uses NAKED in connection with Respondent’s condoms, consumers will presume a connection with Petitioner.

Petitioner’s fame or reputation must be determined as of Respondent’s registration date, October 30, 2007. *Hornby v. TJX Cos., Inc.*, 87 USPQ2d 1411, 1424 (TTAB 2008). To wit, Petitioner contends that the evidence listed below proves that

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<sup>130</sup> Petitioner’s Brief, p. 53 (132 TTABVUE 54).

Petitioner's reputation is sufficient that when Respondent uses NAKED for condoms, consumers will presume a connection with Petitioner:

- "Petitioner's online promotions and advertisements were such that Petitioner's NAKED Marks became popularized in the mind of the public at least as early as April 7, 2003."<sup>131</sup>

- "On or about June 22, 2005, Mr. Porter established ATS, Inc. in the United States to capitalize on Petitioner's goodwill and to sell NAKED branded condoms directly to wholesalers, distributors and retailers in the United States."<sup>132</sup>

- Mr. Porter expended significant resources to promote the NAKED Marks by having an ATS, Inc. employee attend trade shows and conferences and purchase trade advertisements in the United States, which thereafter resulted in ATS, Inc. selling NAKED branded condoms to retail accounts in California, Colorado, Illinois, Michigan, Nevada, New Jersey and Ohio as of August 2006.<sup>133</sup>

- Petitioner first used NAKED on Petitioner's Websites at least as early as August 23, 2002, and Petitioner has continuously marketed, advertised, and sold its condoms in the U.S.<sup>134</sup>

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<sup>131</sup> Sean Hayes Decl. (84 TTABVUE). Hayes testified he bought condoms from Petitioner's website after watching a video of an animated couple having sex that he found funny and memorable. *Id.* at ¶2 (84 TTABVUE 2). He purchased one 12-pack of THE NAKED condoms. *Id.* at Exhibit A (84 TTABVUE 5).

<sup>132</sup> Porter Testimony Decl. ¶¶31-33 and Exhibit 14 (79 TTABVUE 10 and 279).

<sup>133</sup> Porter Testimony Decl. ¶¶34-36, 41-42 and Exhibits 15-16 and 20-21 (79 TTABVUE 10-13, 281-293, and 319-343).

<sup>134</sup> Porter Testimony Decl. ¶¶13-30 and Exhibits 5-13 (79 TTABVUE 5-10 53-277).

Petitioner's evidence is not sufficient to prove its reputation is such that consumers will presume that Respondent's use of NAKED condoms is associated or connected with Petitioner. The evidence shows that Petitioner has been successful enough to stay in business but not much else. For example, Petitioner did not introduce any media acknowledging or referring to Petitioner. If Petitioner's reputation were such that upon encountering Respondent's NAKED condoms consumers will presume a connection with Petitioner, surely there must be more than minimal advertising and sales to support the presumption.

Petitioner has not demonstrated by a preponderance of the evidence that Respondent's mark falsely suggests a connection with Petitioner. Specifically, Petitioner has not satisfied three of the elements of the Section 2(a) false suggestion of a connection test and its Section 2(a) claim thus fails.

**Decision:**

We deny the petition for cancellation on the likelihood of confusion claim under Section 2(d) of the Trademark Act.

We deny the petition for cancellation on the ground that Respondent did not have a bona fide intent to use the mark NAKED when it filed the underlying application for registration at issue.

We deny the petition for cancellation on the false suggestion of a connection claim under Section 2(a) of the Trademark Act.